

FAIRFAX COUNTY, VIRGINIA

MEMORANDUM

DATE: April 22, 2004

TO: Board of Supervisors

FROM: Anthony H. Griffin
County Executive

SUBJECT: Adoption of the FY 2005 Budget Plan

Attached for your review are the following documents:

1. Board revenue and expenditure adjustments approved at the Add-On Markup (Attachment I);
2. Resolution Adopting Tax Rates for FY 2005 (Attachment II);
3. FY 2005 Appropriation Resolution for County Agencies/Funds (Attachment III);
4. FY 2005 Appropriation Resolution for School Board Funds (Attachment IV);
5. FY 2005 Fiscal Planning Resolution (Attachment V); and
6. FY 2005 General Fund Statement; FY 2005 General Fund Expenditures by Agency; FY 2005 Expenditures by Fund, Appropriated; and FY 2005 Expenditures by Fund, Non-Appropriated (Attachment VI).

The attachments noted above provide the official documentation of the adjustments made by the Board of Supervisors on April 19, 2004, associated with the markup of the FY 2005 budget.

Approval of the FY 2005 Appropriation Resolutions, the FY 2005 Fiscal Planning Resolution, and the FY 2005 Resolution Adopting Tax Rates will result in a FY 2005 General Fund Disbursement level of \$2.73 billion, which is an increase of \$79.01 million, or 2.98 percent, over the *FY 2004 Revised Budget Plan*. Direct General Fund Expenditures in FY 2005 total \$1,003.82 million and reflect an increase of \$16.00 million, or 1.62 percent from the *FY 2004 Revised Budget Plan*. The General Fund also includes a 2.0 percent managed reserve totaling \$54.66 million.

The FY 2005 School transfer for operations of \$1.32 billion reflects an increase of \$81.52 million, or 6.57 percent, over the FY 2004 Revised transfer level of \$1.24 billion. In addition, \$126.53 million is transferred to School Debt Service. The total County transfer to support School Operating and Debt Service is \$1.45 billion or 53.0 percent of total County Disbursements.

As a result of these actions, the net change in positions in FY 2005 is an increase of 52 positions from FY 2004 which includes the net 46 new positions in the FY 2005 Advertised Budget Plan, the delay of the radio center privatization requiring 7 positions planned to be eliminated to remain, the reduction of 4 as a result of agency reductions and 3 new positions necessary to implement the Emergency Medical Services fee. Since FY 1991, County positions have gone from 13.57 positions per 1,000 citizens to 11.06 positions while at the same time population has increased 26.3% and the County has opened 152 new and expanded

facilities.

As a result of these actions, the Real Estate Tax rate will decrease by 3 cents from \$1.16 per \$100 of assessed value to \$1.13 per \$100 assessed value. It should be noted that since FY 2002, the Real Estate Tax Rate has decreased a total of 10 cents. The asset limit for the Real Estate Tax Relief for the Elderly and Disabled program is increased to \$240,000 and benefits may now be prorated during the year for those who become eligible after January 1. The Personal Property Tax rate will remain at \$4.57 per \$100 of assessed value for most classes of personal property. The Sewer Service charge will increase to \$3.20 per 1,000 gallons, consistent with the multi year rates previously adopted by the Board of Supervisors. The Integrated Pest Management tax rate will remain at \$0.001 per \$100 of assessed value. The Refuse Collection rate will increase to \$240 and the Solid Waste Landfill Ash Disposal Rate will remain \$11.50 per ton. The Leaf Collection Rate will increase to \$0.015 per \$100 assessed value.

In addition, the FY 2005 budget included a number of revenue diversification options which will be implemented including the imposition of an additional 2 percent transient occupancy tax and an Athletic Services Application Fee. The details of the Athletic Services Application Fee are to be finalized by the Department of Community and Recreation Services working with the Fairfax County Athletic Council. The Board will also advertised amendments to the County Code for a public hearing to be held on May 24, 2004 to impose fees for Emergency Medical Services transport.

In summary, the Board actions that are necessary are as follows:

- Adopt the Resolution which sets the FY 2005 tax rates for real and/or personal property, and for the local districts (community centers and sanitary districts) (Attachment II);
- Adopt the FY 2005 Appropriation Resolution for County Agencies and Funds (Attachment III);
- Adopt the FY 2005 Appropriation Resolution for School Board Funds (Attachment IV);
- Adopt the FY 2005 Fiscal Planning Resolution (Attachment V); and
- Approve other actions as required for revenue diversification.

Attachments